GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1353
ANSWERED ON:26.02.2003
TARGET FIXED FOR DISINVESTMENT
PARSURAM MAJHI;YEMPARALA VENKATESWARA RAO

Will the Minister of DISINVESTMENT be pleased to state:

(a) the target fixed, financial and fiscal for disinvestment during the last three years and the current financial year;

(b) the actual accruals;

(c) whether there is a wide gap between target and actual disinvestment;

(d) if so, the reasons therefor and the steps taken by the Government to bridge the said gap;

(e) the number of companies expected to complete the process of disinvestment during the next financial year i.e. 2003-2004; and

(f) the reasons for not completing the process in respect of other companies?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a)&(b) The target and the amount realised through disinvestment during the last three years and the current year are as follows:-

Year	Target (Rs. In crore)	Amount Realised
1999-2000	10,000	1,829.14
2000-2001	10,000	1,868.73
2001-2002	12,000	5,632.25 #
2002-2003	12,000	3,342.06

Inclusive of dividend, special dividend, dividend tax, transfer from surplus cash reserves and lease rent etc.

(c) Yes, Sir.

(d) Implementation of the disinvestment programme depends on a variety of factors including market conditions, industry wise business cycle fluctuations, interest of the prospective bidders, the adequacy of the price bid etc. Moreover Government does not sell its equity holding in distress. In cases where the value of land and buildings is significant, often the delay occurs because the property rights are unclear and legally establishing these property rights takes time, though it is necessary to do so to maximize the realisable value. In view of these factors, it has not been possible to meet the annual targets.

Government has taken a number of steps to realise the annual targets. Disinvestment procedures are continuously revised and standardized to reduce delays. Inter-Ministerial decision making has been formalised. A large shelf of potentially disinvestable case has been developed and action is being taken to complete the disinvestment in those cases.

(e)&(f) Disinvestment is a continuous process which is dependent on a number of market related external factors, which can cause delay. It is not, therefore, possible to exactly identify which PSUs will be disinvested in a particular year.Currently there are 45 cases in which disinvestment decision has been taken and disinvestment is in progress.